

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 68, line 13, after ";" begin a new line double block indented
- 2 and insert:
- 3 **"(6) information concerning credits applicable under**
- 4 **IC 6-1.1-21-5.8 to taxes first due and payable in the next**
- 5 **calendar year;"**.
- 6 Page 68, line 14, delete "(6)" and insert "(7)".
- 7 Page 68, between lines 25 and 26, begin a new paragraph and
- 8 insert:
- 9 **"(d) The officers of a political subdivision shall adjust the**
- 10 **assessed value used in setting rates for the taxes first due and**
- 11 **payable in a calendar year in which credits apply under**
- 12 **IC 6-1.1-21-5.8 to eliminate or minimize levy reductions that would**
- 13 **otherwise result from the application of those credits."**
- 14 Page 99, between lines 11 and 12, begin a new paragraph and insert:
- 15 **"SECTION 103. IC 6-1.1-21-5.8 IS ADDED TO THE INDIANA**
- 16 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
- 17 **[EFFECTIVE UPON PASSAGE]: Sec. 5.8. (a) The following**
- 18 **definitions apply throughout this section:**
- 19 **(1) "Adjusted gross income" has the meaning set forth in**
- 20 **IC 6-3-1-3.5.**
- 21 **(2) "Assets":**
- 22 **(A) includes:**
- 23 **(i) real property, other than the homestead with respect**
- 24 **to which a qualifying individual applies for a credit**
- 25 **under this section;**

- 1 (ii) cash;
- 2 (iii) savings accounts;
- 3 (iv) stocks;
- 4 (v) bonds; and
- 5 (vi) any other investment; and
- 6 (B) does not include:
 - 7 (i) the cash value of life insurance policies on the life of
 - 8 the qualifying individual or the qualifying individual's
 - 9 spouse; and
 - 10 (ii) tangible personal property.
- 11 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.
- 12 (4) "Homestead" has the meaning set forth in
- 13 IC 6-1.1-20.9-1(2).
- 14 (5) "Household income" means the combined adjusted gross
- 15 income of the qualifying individual and the qualifying
- 16 individual's spouse.
- 17 (6) "Net property tax bill" means the amount of property
- 18 taxes currently due and payable in a particular calendar year
- 19 after the application of all deductions and credits, except for
- 20 the credit provided by this section, as evidenced by the tax
- 21 statement required in IC 6-1.1-22-8.
- 22 (7) "Net worth" means the remainder of:
 - 23 (A) the sum of the current market value of all assets; minus
 - 24 (B) all outstanding liabilities.
- 25 (8) "Qualifying homestead" means a homestead:
 - 26 (A) that a qualifying individual owned; or
 - 27 (B) on which a qualifying individual assumed liability for
 - 28 the payment of property taxes;
- 29 at least five (5) years before the assessment date for the
- 30 homestead in the year for which the qualifying individual
- 31 wishes to obtain the credit under this section and that has an
- 32 assessed value of not more than one hundred eighty thousand
- 33 dollars (\$180,000) as of the assessment date for the homestead
- 34 in the year that immediately precedes the year for which the
- 35 qualifying individual wishes to obtain the credit under this
- 36 section multiplied by a fraction determined by the department
- 37 of local government finance for the county in which the
- 38 homestead is located. The numerator of the fraction is the
- 39 average homestead assessed value in the county in which the
- 40 homestead is located in the year immediately preceding the
- 41 year in which the qualifying individual wishes to obtain the
- 42 credit under this section and the denominator of the fraction
- 43 is the average homestead assessed value in Marion County in
- 44 the year immediately preceding the year in which the
- 45 qualifying individual wishes to obtain the credit under this
- 46 section.

1 **(9) "Qualifying individual" means an individual:**

2 **(A) who is liable for the payment of property taxes on a**
 3 **qualifying homestead;**

4 **(B) whose adjusted gross income for the individual's most**
 5 **recent taxable year that ends before the date on which the**
 6 **claim is filed under subsection (e) is less than seventy-five**
 7 **thousand dollars (\$75,000); and**

8 **(C) who is not married and has a net worth, or has a net**
 9 **worth in combination with the net worth of the individual's**
 10 **spouse, of less than two hundred thousand dollars**
 11 **(\$200,000) as of December 31 of:**

12 **(i) with respect to real property, the year that precedes**
 13 **by two (2) years the year for which the individual wishes**
 14 **to obtain the credit under this section; and**

15 **(ii) with respect to a mobile home that is not assessed as**
 16 **real property or a manufactured home that is not**
 17 **assessed as real property, the year that immediately**
 18 **precedes the year for which the individual wishes to**
 19 **obtain the credit under this section.**

20 **(10) "Taxable year" has the meaning set forth in IC 6-3-1-16.**

21 **(b) The credit provided by this section applies in a county for**
 22 **property taxes first due and payable in a calendar year only if the**
 23 **county fiscal body of the county adopts an ordinance to apply the**
 24 **credit before July 1 of the immediately preceding calendar year. An**
 25 **ordinance adopted under this subsection may authorize the credit**
 26 **for more than one (1) year.**

27 **(c) Except as provided in subsection (d), each year a qualifying**
 28 **individual in a county in which the credit provided by this section**
 29 **is authorized under subsection (b) may receive a credit against the**
 30 **net property tax bill on the individual's qualifying homestead. The**
 31 **amount of the credit to which a qualifying individual is entitled**
 32 **equals the lesser of two thousand dollars (\$2,000) or the remainder**
 33 **of:**

34 **(1) the amount of the net property tax bill without the**
 35 **application of the credit provided by this section; minus**

36 **(2) the following percentage of the qualifying individual's**
 37 **adjusted gross income for the qualifying individual's most**
 38 **recent taxable year that ends before the date on which the**
 39 **claim is filed under subsection (e):**

40 **(A) Five percent (5%) if the adjusted gross income is less**
 41 **than twenty thousand dollars (\$20,000).**

42 **(B) Seven percent (7%) if the adjusted gross income is at**
 43 **least twenty thousand dollars (\$20,000) but less than fifty**
 44 **thousand dollars (\$50,000).**

45 **(C) Nine percent (9%) if the adjusted gross income is at**
 46 **least fifty thousand dollars (\$50,000) but less than**

1 seventy-five thousand dollars (\$75,000).

2 (d) If the qualifying individual resides in the qualifying
3 homestead with the qualifying individual's spouse, those
4 individuals are together entitled to one (1) credit under this section
5 for the qualifying homestead. The amount of the credit is
6 determined under subsection (c), except that the household income
7 is substituted for the qualifying individual's adjusted gross income.

8 (e) A qualifying individual or a qualifying individual and the
9 qualifying individual's spouse who desire to claim the credit
10 provided by this section must file a certified statement in duplicate,
11 on forms prescribed by the department of local government
12 finance, with the auditor of the county in which the qualifying
13 homestead is located. With respect to real property, the statement
14 must be filed after January 1 and before May 11 of the year before
15 the year for which the qualifying individual or the qualifying
16 individual and the qualifying individual's spouse wish to obtain the
17 credit under this section. For a mobile home that is not assessed as
18 real property or a manufactured home that is not assessed as real
19 property, the statement must be filed after January 1 and before
20 March 2 of the year for which the qualifying individual or the
21 qualifying individual and the qualifying individual's spouse wish to
22 obtain the credit under this section. The statement must contain the
23 following information:

- 24 (1) The full name or names and complete address of the
25 qualifying individual or the qualifying individual and the
26 qualifying individual's spouse.
- 27 (2) A description of the qualifying homestead.
- 28 (3) The amount of:
 - 29 (A) the qualifying individual's adjusted gross income
30 referred to in subsection (c)(2); or
 - 31 (B) if subsection (d) applies, the household income referred
32 to in subsection (d) of the qualifying individual and the
33 qualifying individual's spouse.
- 34 (4) The name of any other county and township in which the
35 qualifying individual or the qualifying individual's spouse
36 owns or is buying on contract:
 - 37 (A) real property; or
 - 38 (B) a:
 - 39 (i) mobile home; or
 - 40 (ii) manufactured home;

41 that is not assessed as real property.
- 42 (5) The record number and page where the contract or
43 memorandum of the contract is recorded if the qualifying
44 homestead is under contract purchase.
- 45 (6) Proof of net worth as of the date specified in subsection
46 (a)(9)(C):

(A) in a form determined by the department of local government finance; and

(B) including:

(i) income tax returns or other evidence detailing gross income; and

(ii) other documentation as determined by the department of local government finance.

(7) Any other information required by the department of local government finance.

(f) The auditor of a county with whom a statement is filed under subsection (e) shall immediately prepare and transmit a copy of the statement to the auditor of any other county if the qualifying individual who claims the credit or the qualifying individual's spouse owns or is buying property located in the other county as described in subsection (e)(4). The auditor of the other county described in subsection (e)(4) shall note on the copy of the statement whether a credit has been claimed under this section for a qualifying homestead located in the auditor's county. The auditor shall then return the copy to the auditor of the first county.

(g) Subject to subsection (h), if a proper certified credit statement is filed under subsection (e), the county auditor shall allow the credit and shall apply the credit equally against each installment of property taxes. The county auditor shall include the amount of the credit applied against each installment of property taxes on the tax statement required under IC 6-1.1-22-8.

(h) If the qualifying homestead qualifies for the credit under IC 6-1.1-20.6 and a statement to claim the credit under this section is filed under subsection (e), the county auditor shall:

(1) determine from the individual who filed the statement whether the individual elects to have applied:

(A) the credit under this section; or

(B) the credit under IC 6-1.1-20.6; and

(2) apply only the credit elected by that individual as determined under subdivision (1).

(i) If an individual knowingly or intentionally files a false statement under this section, the individual must pay the amount of any credit the individual received because of the false statement, plus interest at the rate of ten percent (10%) per year, to the county auditor for distribution to the taxing units of the county in the same proportion that property taxes are distributed.

SECTION 114. IC 6-1.1-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) Notwithstanding IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter or who has properly filed for and is entitled to a credit under IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes to which the credit applies, is entitled to a refund, without interest, of

1 an amount equal to the amount of the credit. However, if the taxpayer,
 2 at the time a refund is claimed, owes any other taxes, interest, or
 3 penalties payable to the county treasurer to whom the taxes subject to
 4 the credit were paid, then the credit shall be first applied in full or
 5 partial payment of the other taxes, interest, and penalties and the
 6 balance, if any, remaining after that application is available as a refund
 7 to the taxpayer.

8 (b) Any taxpayer entitled to a refund under this section **other than**
 9 **a refund based on the credit under section 5.8 of this chapter** shall
 10 be paid that refund from proceeds of the property tax replacement fund.
 11 However, with respect to any refund attributable to a homestead credit,
 12 the refund shall be paid from that fund only to the extent that the
 13 percentage homestead credit the taxpayer was entitled to receive for a
 14 year does not exceed the percentage credit allowed in
 15 IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that
 16 amount shall be paid from the county's revenue distributions received
 17 under IC 6-3.5-6.

18 (c) The state board of accounts shall establish an appropriate
 19 procedure to simplify and expedite the method for claiming these
 20 refunds and for the payments thereof, as provided for in this section,
 21 which procedure is the exclusive procedure for the processing of the
 22 refunds. The procedure shall, however, require the filing of claims for
 23 the refunds by not later than June 1 of the year following the payment
 24 of the taxes to which the credit applied."

25 Page 261, between lines 20 and 21, begin a new paragraph and
 26 insert:

27 "SECTION 293. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-21-5.8,**
 28 **as added by this act, applies only to property taxes first due and**
 29 **payable after December 31, 2006."**

30 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

Representative Orentlicher